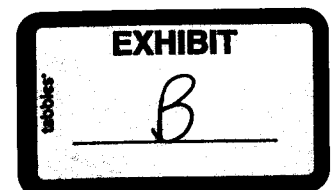


---

**APPENDIX A**      **BYLAWS**

---

**ACCREDITING COUNCIL FOR  
INDEPENDENT COLLEGES AND SCHOOLS  
(ACICS)**



**This Page Left Intentionally Blank.**

## TABLE OF CONTENTS

<b>Preface</b> .....	A-6
<b>Article I General Provisions and Definitions</b> .....	A-7
Section 1 Name .....	A-7
Section 2 Board of Directors.....	A-7
Section 3 Commissions.....	A-7
Section 4 Recognition .....	A-7
Section 5 Directors.....	A-7
Section 6 Commissioners.....	A-7
Section 7 Public Representatives .....	A-7
Section 8 Membership .....	A-7
Section 9 Offices.....	A-7
Section 10 Executive Director .....	A-7
<b>Article II Board of Directors</b> .....	A-8
Section 1 Composition.....	A-8
Section 2 Powers and Duties.....	A-8
Section 3 Officers .....	A-8
(a) Chair .....	A-8
(b) Chair-elect .....	A-9
(c) Secretary .....	A-9
(d) Treasurer.....	A-9
(e) Additional Officers .....	A-9
<b>Article III Council</b> .....	A-9
Section 1 Composition.....	A-9
Section 2 Powers and Duties.....	A-9
Section 3 Chair, Chair-elect, and commissioner-at-large .....	A-10
<b>Article IV Elections, Terms, Vacancies, Removal, Resignations,     Compensation, &amp; Officers</b> .....	A-10
Section 1 Elections.....	A-10
Section 2 Eligibility .....	A-10
Section 3 Voting Procedures.....	A-11
Section 4 Assumption of Office.....	A-11
Section 5 Terms .....	A-11
Section 6 Vacancies .....	A-12
Section 7 Resignations.....	A-12
Section 8 Removal.....	A-12

Section	9	Compensation .....	A-12
<b>Article V Committees.....</b>			<b>A-12</b>
Section	1	Standing Committees of the Council .....	A-12
	(a)	Nominating Committee .....	A-13
	(1)	Composition .....	A-13
	(2)	Procedures .....	A-13
	(b)	Business Practices Committee .....	A-13
	(c)	Education Enhancement and Evaluation .....	A-13
	(d)	Financial Review Committee .....	A-13
	(e)	Institutional Effectiveness Committee .....	A-13
	(f)	Nontraditional Education Committee .....	A-13
	2	Standing Committees of the Board of Directors .....	A-14
	(a)	Audit Committee .....	A-14
	(b)	Investment Committee .....	A-14
	3	Other Committees .....	A-14
<b>Article VI Membership, Fees, Meetings.....</b>			<b>A-14</b>
Section	1	Gaining Membership.....	A-14
Section	2	Loss of Membership.....	A-14
Section	3	Types of Fees .....	A-14
Section	4	Change in Fees .....	A-14
Section	5	Conditions of Payment.....	A-14
Section	6	Proration of Fees .....	A-15
Section	7	Other Costs.....	A-15
Section	8	Assessments .....	A-15
Section	9	Annual Meeting .....	A-15
Section	10	Special Meetings.....	A-15
Section	11	Notice of Meetings.....	A-15
Section	12	Quorum .....	A-15
Section	13	Meetings of the Council.....	A-16
<b>Article VII Appeals Process.....</b>			<b>A-16</b>
Section	1	Review Board for Appeals .....	A-16
Section	2	Due Process.....	A-16
<b>Article VIII Miscellaneous.....</b>			<b>A-16</b>
Section	1	Liability .....	A-16
Section	2	Corporate Seal.....	A-16
Section	3	Checks, Notes, Contracts .....	A-16

Section	4	Books and Records .....	A-16
Section	5	Confidentiality .....	A-17
Section	6	Indemnification and Insurance.....	A-17
Section	7	Amendments .....	A-17
Section	8	Dissolution .....	A-17
Section	9	Fiscal Year .....	A-17
<b>Article IX Litigation, Jurisdiction and Venue, Expenses.....</b>			<b>A-17</b>
Section	1	Suits Against ACICS, Jurisdiction and Exhaustion .....	A-17
Section	2	Reimbursement of ACICS's Litigation Expenses .....	A-17
Section	3	Other Expenses .....	A-18
Section	4	Binding Effect.....	A-18

## **BYLAWS**

### **ACCREDITING COUNCIL FOR INDEPENDENT COLLEGES AND SCHOOLS (ACICS)**

#### **Preface**

These Bylaws and the Articles of Incorporation filed in the Commonwealth of Virginia constitute the governance and legal organization of the Accrediting Council for Independent Colleges and Schools. The Council has been recognized since 1956 as a national institutional accrediting body. Although autonomous regarding accreditation actions, it was a corporate component of a related trade association until July 1993. In 1993, the Council was separately incorporated and became completely autonomous.

Accreditation is a peer evaluation process utilized in American educational settings to determine the degree to which an institution or a program is meeting its pre-established mission, goals, and objectives and is complying with educational and operational standards of its respective accrediting body(ies). If institutions are not achieving and complying with these goals and standards, a secondary but equally important purpose of accreditation is to provide them with expert guidance on how to improve and to monitor their efforts. It is not the purpose of accreditation to stifle educational innovation and practice, to prevent diversity in educational curriculums and delivery systems, or to enforce regulatory procedures imposed on institutions by other agencies. It is the responsibility of an accrediting body, however, to follow and to enforce its own pre-established criteria and procedures and, ultimately, within parameters of procedural consistency and fairness, to remove accredited status from those institutions and programs that cannot or do not comply with them.

Career education refers to that type of education and training provided by postsecondary institutions and entities which concentrate on the transfer of knowledge and the development of competencies necessary for a person to function as a productive employee in business, industry, government, or self-employed occupations. Curriculums for this type of education and training are concentrated and feature workplace internships and other practical experience. The curriculums may or may not include general education as that term is normally defined; and the programs, with or without general education, may provide for the awarding of a degree, certificate, or diploma upon completion.

## **ARTICLE I**

### **General Provisions and Definitions**

*Section 1--Name.* The name of the corporation shall be the Accrediting Council for Independent Colleges and Schools, which corporation also is referred to herein as ACICS.

*Section 2--Board of Directors.* The governance and administration of the affairs of the Corporation shall be vested in a Board of Directors (sometimes referred to herein as the "Board"). The Board shall be constituted as provided in Article II.

*Section 3-- Council.* The Council shall consist of elected and appointed Commissioners.

*Section 4--Recognition.* ACICS shall be the body holding recognition from the U.S. Secretary of Education and any other appropriate recognition bodies.

*Section 5--Directors.* Directors are those persons serving on the Board of Directors.

*Section 6--Commissioners.* Commissioners are those persons elected by their peers or appointed by the Council to serve designated terms on the Council.

*Section 7--Public Representatives.* Representatives of the public are persons who are interested in career education; have knowledge or experience useful to the accreditation process; are willing to contribute opinion, advice, and expertise to the endeavors of ACICS, the Council (defined in Article III); and are not (1) employed by an institution or program that either is accredited by the agency or has applied for accreditation or (2) associated as members of the governing board, owners, shareholders, consultants or in some other similar capacity with an institution or program that either is accredited by the agency or has applied for accreditation; or (3) a member of any related, associated, or affiliated trade association or membership organization; or (4) a spouse, parent, child or sibling of an individual identified in paragraph (1), (2) or (3) of this definition.

*Section 8--Membership.* Membership shall be institutional or organizational in nature and shall consist of accredited colleges, postsecondary schools, branches, and other entities, all as defined in the *Accreditation Criteria* of ACICS.

*Section 9--Offices.* The offices of ACICS shall be in the Washington, D.C., metropolitan area but shall not be restricted through these Bylaws or Articles of Incorporation to that locale. ACICS may have other temporary or permanent offices to facilitate its work. The office of the corporation's registered agent shall be an office of ACICS.

*Section 10--Executive Director.* The Executive Director of the Accrediting Council for Independent Colleges and Schools shall be designated by the Board with consent of the Council and shall be ACICS's chief administrative officer.

## **ARTICLE II**

### **Board of Directors**

*Section 1--Composition.* The Board of Directors shall be composed of the following six (6) persons: the Chair of the Council, the Chair-elect of the Council, three commissioners serving on the Council and the Executive Director. The Executive Director shall serve ex officio and shall have no vote. All board members other than the Executive Director shall be selected by the Council. At least one of the Directors shall be a public representative, one shall be from a nondegree institution and one from a degree-granting institution.

*Section 2--Powers and Duties.* Except as otherwise provided by law or in these Bylaws, the Board of Directors of ACICS shall have the right and responsibility to manage and direct the affairs and exercise the powers of the corporation. Responsibilities of the Board shall be to:

- (a) provide for an annual certified audit and management letter regarding all financial affairs of ACICS;
- (b) oversee revenues, expenditures, investments, budget development, and internal financial controls;
- (c) monitor and coordinate external affairs, including government and consumer concerns;
- (d) assure canons of ethical business operations and personal conduct;
- (e) employ, with consent of the Council, a chief administrative officer whose title shall be Executive Director;
- (f) conduct an annual meeting for members;
- (g) facilitate communication and coordination among the commissioners;
- (h) coordinate strategic planning, assess the effectiveness of the strategic plan, and recommend changes to the plan to the Council;
- (i) assess the effectiveness of the Council in fulfilling its mission and meeting its goals and objectives;
- (j) take all actions necessary to perform required functions of the corporation; and
- (k) amend the Bylaws as provided for herein.

*Section 3--Officers.* The officers of the Board of Directors shall be: Chair; Chair-elect; Secretary, by virtue of service as Executive Director; and Treasurer, elected by majority vote of the Board.

- (a) *Chair.* The Chair of the Council shall be the Chair of the Board of Directors, who also shall serve as President of the corporation and shall be its chief executive officer. The Chair shall preside over all meetings of the Board and is responsible for seeing that policies established and actions taken are carried out. The Chair will represent the Council in its dealings with governmental bodies, the press and the public, and may sign or approve correspondence and other instruments.



- (b) *Chair-elect.* The Chair-elect assumes responsibilities as delegated by the Board; in the absence of the Chair, shall serve as Chair; serves as Chair of the Nominating Committee; and shall serve as Chair of the Board and Council in the subsequent year.
- (c) *Secretary.* The Executive Director shall serve as the Secretary of the Board. This position is responsible for preparing and maintaining custody of the minutes of all meetings of members, the Board and the Council for the purpose of authenticating the records of the Corporation for each, for giving all notices required in accordance with these Bylaws, for receiving service in legal matters, and for performing all duties customary to the office of Secretary. The Secretary shall have custody of the corporate seal and authority to affix the seal to any instrument requiring it.
- (d) *Treasurer.* The Treasurer shall have custody of and be responsible for all funds and securities of the Corporation. The Treasurer shall keep or cause to be kept complete and accurate accounts of receipts and disbursements and shall ensure deposit of all moneys and other valuable property of the Corporation in such banks or depositories as the Board may designate. The funds, books, and vouchers under supervision of the Treasurer or other delegated persons, with the exception of confidential reports submitted by the members, shall at all times be subject to verification and inspection by the Board. The Treasurer shall serve on the Audit and Investment Committees. The Treasurer shall, at the annual meeting of members or by direct mail, report the financial condition of the Corporation at least once annually.
- (e) *Additional Officers.* The Board may create positions of Assistant Treasurer and Assistant Secretary as necessary for the orderly conduct of business. When so authorized, the Executive Director shall appoint individuals from the professional staff to fill such offices and may assign appropriate duties to them. The Executive Director shall be responsible for filling all vacancies occurring in these positions.

### **ARTICLE III**

#### **Council**

*Section 1--Composition.* The Council shall consist of the elected and appointed commissioners generally representing both non degree and degree-granting institutions. It shall consist of fifteen (15) commissioners, six (6) of whom shall be elected by the membership and nine (9) of whom shall be appointed by the Council. Three of the appointed commissioners shall be public members as heretofore defined. Notwithstanding the foregoing, an elected commissioner may be replaced by an appointed commissioner for the remainder of the elected commissioner's term in the event of a vacancy.

*Section 2--Powers and Duties.* Responsibilities of the Council shall be to:

- (a) promulgate standards of accreditation and establish eligibility conditions, policies, and procedures for accreditation;
- (b) take final action on initial grants of accreditation;
- (c) take final action on denial, suspension, and withdrawal motions;
- (d) provide mechanisms for appeals and dispute resolution to ensure due process in resolution of conflicts between members and the Council;

- (e) provide to members appropriate accreditation-related services such as consultation, accreditation process workshops, and training opportunities for evaluators;
- (f) disseminate information on standards, procedures, and activities;
- (g) monitor compliance with the standards;
- (h) receive and act on other applications;
- (i) issue show-cause directives and place institutions on probation;
- (j) serve as liaison to recognition agencies or bodies;
- (k) issue a list of accredited colleges, schools, and organizations;
- (l) develop and approve an annual budget;
- (m) assess and collect fees from members;
- (n) take final action on the strategic plan; and
- (o) exercise other powers and duties incidental to the foregoing.

*Section 3—Chair, Chair-elect, and commissioner-at-large.* The Chair of the Council shall be the Chair-elect from the previous year. The Council shall elect the Chair-elect of the Council, who will become Chair in the subsequent year, and the commissioner-at-large annually by majority vote.

## **ARTICLE IV**

### **Elections, Terms, Vacancies, Removal, Resignations, Compensation, and Officers**

*Section 1--Elections.* Elections shall be held annually at the time of the annual meeting of members for the selection of persons to serve on the Council.

*Section 2--Eligibility.* Any person employed by a member in good standing and meeting other eligibility criteria is eligible to run for office provided that person has been registered pursuant to these Bylaws with the Board of Directors by the ownership of the institution. That person must be identified as the "Designated Delegate" of that member. Each main and branch campus is entitled to one Designated Delegate. Such designation also authorizes that person to be the voting representative of the member on all ACICS matters requiring a vote. Changes of Designated Delegate shall be made in writing fifteen (15) days prior to the date of any scheduled election which becomes the record date for determining eligibility to vote. A Credentials Committee shall be appointed to verify registration and voting for each election. A separate Ballot-counting Committee shall be appointed to tabulate the votes. Results of elections shall be made known to the members by the Chair of the Nominating Committee.

*Section 3--Voting Procedures.* Specific election procedures concerning candidate qualifications, deadlines for registration, and absentee balloting shall be developed by the Board and may vary from election to election. The following general procedures shall apply to all voting:

- (a) there shall be at least two candidates nominated for each elective position by the Nominating Committee;
- (b) nominations by petition for each elective position will be permitted if such petition (i) is received at least 45 days prior to the date of the election, (ii) contains the names and signatures of Designated Delegates representing at least ten percent of the institutions that are members of ACICS, (iii) demonstrates that the petitioner satisfies the eligibility requirements contained in Section 2, and (iv) meets any other procedural requirements which may be established by the Board;
- (c) nominations for elective office may not be accepted from the floor during the Annual Meeting;
- (d) every member, if properly registered and current with financial obligations, shall have the opportunity to vote;
- (e) proxy voting is not permitted in elections;
- (f) no more than one person from any institution, group of institutions commonly owned, or entity may serve concurrently on the Council;
- (g) voting on behalf of multiple members by one Designated Delegate may be permitted on membership-wide matters *[A corporation may authorize a Designated Delegate to cast votes for up to ten (10) members under common ownership and control. The multiple members represented by one Designated Delegate must be recorded with the Secretary prior to the vote. The multiple members represented by a single Designated Delegate shall count toward a quorum.]*;
- (h) only the Designated Delegate of each member is eligible to vote;
- (i) voting shall be by secret ballot;
- (j) a majority vote, unless otherwise provided by these Bylaws, shall decide all non-candidate matters; and
- (k) a plurality vote shall decide all candidate elections.

*Section 4--Assumption of Office.* New commissioners shall assume office on January 1 of the calendar year following election or appointment, unless otherwise provided for by the Council. Incumbent commissioners will remain in office until new commissioners are seated.

*Section 5--Terms.* Term of service as a commissioner shall be five years, except that a person elected or appointed to fill term of less than two years is entitled to submit for nomination and election or appointment to a full term. Upon completion of a commissioner's term, the commissioner shall not be eligible for election or appointment to another term until three (3) years have elapsed.

*Section 6--Vacancies.* Where a vacancy exists, the nominating committee shall review and make recommendations to the Council for its consideration. A vacancy on the Board of Directors shall be filled in the same manner as it was filled originally.

*Section 7--Resignations.* Resignation from service as a commissioner may be voluntarily tendered at any time. The resignation becomes effective upon receipt of written notice by the Chair or the Executive Director. Automatic tendering of resignation is required under the following circumstances or conditions:

- (a) denial, suspension, or revocation of accreditation at the institution with which affiliated;
- (b) cessation or announced cessation of operations at such institution;
- (c) filing for reorganization or bankruptcy by such institution or its parent corporation;
- (d) debarment by the U.S. Department of Education from employment at any institution participating in federal student funding programs;
- (e) indictment for a criminal offense;
- (f) change of control or ownership at the institution with which affiliated;
- (g) failure of such institution to meet its financial obligations to ACICS which results in loss of membership;
- (h) change in employment status (other than internal); and
- (i) change in Designated Delegate status.

NOTE: Not all of the foregoing necessarily will result in acceptance of resignation but must be considered by the Council before service can continue.

*Section 8--Removal.* A commissioner may also be removed by not less than a two-thirds (2/3) vote of the Council for breach of any code, canons, or tenets of ethics formally adopted pursuant to these Bylaws.

*Section 9--Compensation.* Commissioners shall serve without compensation. Public representatives shall receive honoraria for service in such amounts as the Board shall fix. Commissioners, as well as members of committees, if so provided in advance, shall be reimbursed for expenses incurred in performance of authorized duties.

## **ARTICLE V**

### **Committees**

*Section 1--Standing Committees of the Council.* The Board of Directors shall provide for the following standing committees:

- (a) *Nominating Committee.* The Nominating Committee shall be responsible for the screening of nominees and the selection of candidates for election as commissioners. It also shall identify persons qualified to be appointed as commissioners and recommend them to the Council for appointment. The Nominating Committee shall seek to maintain a Council that is generally representative of the types of member institutions.
  - (1) *Composition.* The Nominating Committee shall consist of five (5) members, including at least one (1) person from a nondegree institution and one from a degree-granting

institution, two (2) representatives from the Board of Directors, and one (1) person from an ACICS-accredited institution. The Chair of the Board shall appoint the members of the Nominating Committee; the chair-elect automatically serves as the Chair of the Nominating Committee.

- (2) *Procedures.* The membership shall be notified of the composition of the Committee and invited to submit to it names of qualified nominees. The Committee in its selection of candidates shall be mindful of diversity of programs, size and types of institutions, and geographic representation. It shall develop and publish eligibility criteria, permissible campaign practices by candidates, and any special voting procedures. Interviews of nominees by the Committee are permitted.
- (b) *Business Practices Committee.* The Business Practices Committee shall consist of commissioners appointed by the Chair. The mission of the committee is to identify and promote quality business practices of career colleges and schools, to ensure integrity and ethical relations, and to foster cooperation among institutions on behalf of students and others served.
- (c) *Education Enhancement and Evaluation Committee.* The Education Enhancement and Evaluation Committee shall consist of commissioners appointed by the Chair. The mission of the committee is to establish standards for educational quality that assist institutions in mission fulfillment, program planning and development, institutional evaluation activities, and successful educational outcomes.
- (d) *Financial Review Committee.* The Financial Review Committee shall consist of commissioners appointed by the Chair. The mission of the committee is to monitor the financial stability of accredited institutions in order to ensure they maintain sufficient financial resources to deliver a quality education to their students.
- (e) *Institutional Effectiveness Committee.* The Institutional Effectiveness Committee shall consist of commissioners appointed by the Chair. The mission of the committee is to assist institutions in the improvement of their outcomes by establishing and assessing criteria for institutional effectiveness. In order to assist ACICS-accredited institutions meet established standards, the committee shall review Annual Institutional Reports, Institutional Effectiveness Plans, and institutional outcomes and measurements.
- (f) *Nontraditional Education Committee.* The Nontraditional Education Committee shall consist of commissioners appointed by the Chair. The mission of the committee is to develop, implement, and evaluate standards and procedures to assess educational quality when utilizing nontraditional education delivery methods. The standards and procedures adopted shall assist institutions in implementing effective and appropriate processes when using nontraditional educational delivery methods. The standards and procedures also will assist the Council when reviewing and assessing nontraditional educational delivery methods.

*Section 2—Standing Committees of the Board of Directors.*

- (a) *Audit Committee.* The Audit Committee shall consist of the Executive Director, a minimum of three members from the Board, including the Treasurer, and such other members as the Board deems appropriate and appointed by the Chair. The committee shall work with the Executive Director to ensure an annual certified audit of the organization's financial activities is completed,

that the findings of the audit are reviewed, and that actions are taken to address recommendations and areas of concern identified as part of the audit process.

- (b) *Investment Committee.* The Investment Committee shall consist of the Executive Director, a minimum of three members from the Board, including the Treasurer, and such other members as the Board deems appropriate and appointed by the Chair. The committee shall work with the Executive Director to provide oversight of the organization's investment funds. The committee shall select investment advisors, develop an investment plan, and review investment reports at least annually.

*Section 3—Other Committees.* The Board of Directors may establish and appoint members to other ad hoc committees as deemed necessary.

## **ARTICLE VI**

### **Membership, Fees, Meetings**

*Section 1--Gaining Membership.* Membership in ACICS is voluntary and can only be obtained through accreditation. Members shall be institutions or organizations which provide education or training as heretofore defined. Each main or branch campus is entitled to all of the rights and privileges and assumes all of the obligations of membership as provided in these Bylaws. The term of membership shall be coexistent with accreditation.

*Section 2--Loss of Membership.* Any member that ceases to be accredited by ACICS shall automatically, and without the necessity for further action, be deemed to be removed from membership. Members may voluntarily resign, which also results in loss of accreditation. All obligations owed to ACICS, including payment of fees, shall be fulfilled prior to resignation. The loss of accreditation shall be retroactive to the date that all outstanding obligations had previously been fulfilled.

*Section 3--Types of Fees.* There shall be three types of fees: (a) annual sustaining fees, (b) user (or service) fees, and (c) late fees. The annual sustaining fee shall be scaled by formula to the annual educational revenue generated by each member. The user fees shall relate to the cost of services requested or the actions initiated by the members or applicants for membership. The late fees shall be established by the Council.

*Section 4--Change in Fees.* The Council may adjust the fees annually equivalent to the change in the national Consumer Price Index. Any increase above the CPI percentage shall be presented to the membership for approval.

*Section 5--Conditions of Payment.* Sustaining fees are due and payable on October 31. The Council may authorize a discount for sustaining fees received by September 30 each year. Nonpayment of annual fees by October 31 subjects a member to automatic loss of membership and loss of accreditation without a hearing. Any request for extension of time to pay or for a periodic payment plan must be received and approved prior to September 30. Payment plans will not extend beyond December 31. Institutions using periodic payment plans shall be assessed an interest rate of one and one-half percent (1.5%) per month on the unpaid balance. User fees must accompany the request for applicable service before the request will be processed.

*Section 6--Proration of Fees.* A member becoming eligible for membership during the first quarter of the fiscal year shall pay the full amount of the annual sustaining fees as applicable. Members becoming

eligible during succeeding quarters shall pay a proportionate amount of the otherwise applicable fee as determined by the number of quarters remaining in the fiscal year, including the quarter in which membership is attained.

*Section 7--Other Costs.* In addition to fees herein described, members are required to submit in advance, by deadline certain, a deposit calculated to cover the costs of all on-site evaluations. Failure to submit the deposit on time may result in cancellation by the Council of the visit with ensuing accreditation consequences for noncompliance by the institution. If, for reasons of timing, the deposit is not received and the visit is conducted, the Council will withhold notification of any positive action taken by the Council until the deposit is received. Costs of unannounced visits required by law or regulation will be invoiced to the institution following the visit.

*Section 8--Assessments.* The Council, upon a majority vote, may propose an assessment in addition to the annual sustaining fees provided for in this Article where there has occurred or is impending an emergency which may impair the ability of the Council to achieve its purposes and the amount of annual dues is insufficient to meet the Council's requirements. The proposed assessment shall be submitted to the members for approval or disapproval on majority vote.

*Section 9--Annual Meeting.* A meeting of the members shall be held annually at a date and place to be determined by the Board of Directors. This meeting may be held concurrent with a meeting of similar or common-interest groups. The purpose of such meeting shall be the election of commissioners pursuant to these Bylaws, the receipt of reports on the budget and finances of ACICS and its activities and affairs, and the transaction of other business as may be specified by the Board in the call for and notice of the meeting. The meeting may combine these business purposes with informational and educational sessions; meetings of the Board, the Council, commissions, or committees; and special events for the members.

*Section 10--Special Meetings.* Special meetings of the members may be called by the Board of Directors upon request of a majority of the Board or upon petition to the Board by not fewer than the lesser of fifty (50) members or ten percent (10%) of the membership not under common ownership or control.

*Section 11--Notice of Meetings.* Normally, members shall be notified at least thirty (30) days in advance of the date, location, time, and purpose of all meetings. Waiver of notice may be recorded at any special meeting by majority vote of a quorum present at such meeting.

*Section 12-- Quorum.* Twenty percent (20%) of the members eligible to vote and represented by Designated Delegates shall constitute a quorum at a meeting of the members for the transaction of business, except that any issue not properly noticed in the call for the meeting and that requires membership-wide participation may not be acted upon under new business. The Board of Directors may adopt such procedures as it deems necessary for the conduct of business. In the absence of an established procedure, *Roberts Rules of Order* shall apply.

*Section 13--Meetings of the Council.* The Council shall convene as often as necessary to review materials attendant to the accrediting process and to take formal action on the accredited status of applicants.

## **ARTICLE VII**

### **Appeals Process**

*Section 1--Review Board for Appeals.* A Review Board for Appeals shall be appointed by the Council. The purpose of the Review Board shall be to review, according to pre-established procedures and

guidelines, appeals by members of final negative actions by the Council and either to affirm the action of the Council or to remand the case for further review. The Review Board shall consist of fifteen (15) persons, all of whom have had experience in accreditation. Members of the Review Board shall be appointed to terms of three years, with terms of initial appointees staggered so that one-third of the terms expire each year. A person appointed to the Review Board shall not have been a commissioner within one year prior to appointment. The Chair of the Council shall convene timely a panel of the Review Board when necessary.

*Section 2--Due Process.* Criteria promulgated by the Council shall ensure that institutions are provided a fair and reasonable opportunity to present reasons why denial, suspension, withdrawal, or other final actions taken by the Council are inappropriate and should be remanded for further consideration. The due process provided is not required to be a full hearing on the record or before the full Council. However, all appeals to the Review Board for Appeals shall be on the record and shall provide for the submission of briefs and oral testimony by institutional representatives.

## **ARTICLE VIII**

### **Miscellaneous**

*Section 1--Liability.* No applicant, member, or former member shall be liable for the debts of ACICS in any amount except to the extent of the fees required of each member pursuant to Article VII, Sections 3 and 8, hereof.

*Section 2--Corporate Seal.* The corporate seal shall be in such form as may be approved by the Board of Directors.

*Section 3--Checks, Notes, Contracts.* The Board of Directors shall determine the persons who will be authorized on the corporation's behalf to sign checks, drafts, or other orders for payment of money; to sign acceptances, notes, or other evidences of indebtedness; to enter into contracts; or to execute and deliver other documents and instruments. The Board of Directors shall, at its discretion, require officers, agents, employees, and other persons so authorized pursuant to this Section to give security for the faithful performance of their duties.

*Section 4--Books and Records.* The corporation shall keep at its office correct and complete books and records of the accounts and transactions of the corporation and a current list of the members, directors, and officers of the corporation. Such books and records may be in written form or in any other form capable of ready conversion to written form.

*Section 5--Confidentiality.* The Council shall maintain the confidentiality of the accrediting process with members insofar as permitted by accrediting criteria, law, and regulation. The Council shall have written policies on disclosure of information to third parties.

*Section 6--Indemnification and Insurance.* The corporation shall indemnify and hold harmless each director, officer, commissioner, member of an appeals board, member of a visiting team, agent, employee, or other person acting on behalf of the corporation or the Council against and from all loss, cost, and expense reasonably incurred by such person in the payment, defense, or settlement of any claim, suit, or proceeding brought against such person because they acted as part of or on behalf of ACICS, the Council, or the Review Board, as a director, officer, commissioner, member of an appeals board, member of a visiting team, agent, or employee. The rights specified in this Section shall apply whether or not persons continue to act in such capacity at the time the loss, cost, or expense is incurred. Such rights shall not



apply in relation to any matters as to which any such person shall be finally adjudged to be liable for willful misconduct. The Board of Directors also may authorize the purchase and maintenance of insurance on behalf of such persons and the corporation against any liability that arises from their actions in such capacities.

*Section 7--Amendments.* The Bylaws of the corporation may be amended by the Board of Directors by majority vote of all the directors.

*Section 8--Dissolution.* ACICS shall use its funds only to accomplish the objectives and purposes set forth in these Bylaws, and no part of said funds shall inure or be distributed to the members of ACICS. On dissolution of ACICS, any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board of Directors.

*Section 9--Fiscal Year.* The fiscal year of ACICS shall be July 1 through June 30.

## **ARTICLE IX**

### **Litigation, Jurisdiction and Venue, and Expenses**

*Section 1--Suits Against ACICS, Jurisdiction, and Exhaustion of Administrative Remedies.* Jurisdiction and venue of any suit, claim, or proceeding relating to membership, accreditation, or accredited status, whether a claim for damages or injunctive or declaratory relief, brought by an accredited member, former member, or applicant for membership and accredited status against ACICS, the Council, the Review Board, or a commissioner, officer, committee member, Review Board member, or staff member acting in his or her official capacity shall only be in the U.S. District Court for the Eastern District of Virginia, Alexandria Division, or the Circuit Court for the City of Alexandria, Virginia. Accredited members, former members, and applicants must exhaust all administrative remedies provided for in the ACICS *Criteria* and Bylaws before initiating any suit, claim, or proceeding in Court.

*Section 2--Reimbursement of ACICS's Litigation Expenses.* An applicant for membership, member, or former member of ACICS shall reimburse ACICS for all costs and expenses (including attorney's fees) actually and reasonably incurred by ACICS in defending any suit, claim, or proceeding, whether for damages or for injunctive or declaratory relief, brought by an applicant, member, former member, or one or more present or former students of any of the foregoing against ACICS, the Council, the Review Board, any commissioners of the Council, or members of the Review Board, or officers, employees, or agents of ACICS, the Council, acting in their official capacity, where ACICS, the Council, the Review Board, the commissioner, officer, employee, or agent shall have been adjudged to be the prevailing party in the suit, claim, or proceeding.

*Section 3--Other Expenses.* Each member shall reimburse ACICS for all costs and expenses (including attorney's fees) incurred by it in the production of any of the corporation's, or the Council's, records relating to such member in response to lawful requests from parties in litigation or from state or federal agencies.

*Section 4--Binding Effect.*

- (a) Each existing member and new member of ACICS shall be provided with a copy of these Bylaws. Acceptance or continuation of membership in ACICS shall constitute each member's

agreement to be bound by the provisions of these Bylaws, as they may be amended from time to time, while a member of and subsequent to the termination of membership in ACICS.

- (b) Each applicant for membership in ACICS shall be provided with a copy of these Bylaws. Application for membership in ACICS shall constitute such applicant's agreement to be bound by the provisions of these Bylaws, as they may be amended from time to time, regardless of whether such applicant becomes a member of ACICS.